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SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE

## Renewable Energy Assistance Act of 2007 (H.R. 3807)

110th CONGRESS  
1st Session  
**H.R. 3807**

To amend the Internal Revenue Code of 1986 to increase and extend certain renewable energy and energy efficiency incentives.

### **IN THE HOUSE OF REPRESENTATIVES**

**October 10, 2007**

Ms. GIFFORDS (for herself, Mr. VAN HOLLEN, Mr. ELLISON, Mr. BLUMENAUER, Mr. LAMPSON, Mr. PALLONE, Mr. EMANUEL, Mr. POMEROY, Mr. CHANDLER, Mr. UDALL of New Mexico, Mr. ALTMIRE, Ms. BERKLEY, Mr. GRIJALVA, Mr. ISRAEL, Mr. CARNEY, Mr. PASTOR, Mr. EHLERS, Mr. SMITH of Washington, Mr. MCCAUL of Texas, Mr. MITCHELL, Mr. BRALEY of Iowa, Mr. MCNERNEY, Mr. INSLEE, and Mr. MOORE of Kansas) introduced the following bill; which was referred to the Committee on Ways and Means

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### **A BILL**

To amend the Internal Revenue Code of 1986 to increase and extend certain renewable energy and energy efficiency incentives.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the `Renewable Energy Assistance Act of 2007'.

### **SEC. 2. INCREASE AND EXTENSION OF CREDIT FOR RESIDENTIAL ENERGY EFFICIENT PROPERTY.**

(a) Extension- Subsection (g) of section 25D of the Internal Revenue Code of 1986 is amended by striking `December 31, 2008' and inserting `December 31, 2016'.

(b) Repeal of Maximum Dollar Limitation-

(1) IN GENERAL- Subsection (b) of section 25D of such Code is amended to read as follows:

`(b) Certification of Solar Water Heating Property- No credit shall be allowed under this section for an item of property described in subsection (d)(1) unless such property is certified for performance by the non-profit Solar Rating Certification Corporation or a comparable entity endorsed by the government of the State in which such property is installed.'

(2) CONFORMING AMENDMENTS-

(A) Subsection (e) of section 25D of such Code is amended by striking paragraph (4) and by redesignating paragraphs (5) through (9) as paragraphs (4) through (8), respectively.

(B) Paragraph (1) of section 25C(e) of such Code is amended by striking `(8), and (9)' and inserting `and (8) (and paragraph (4) as in effect before its repeal)'

(c) Credit Allowed Against Alternative Minimum Tax-

(1) IN GENERAL- Subsection (c) of section 25D of such Code is amended to read as follows:

`(c) Limitation Based on Amount of Tax; Carryforward of Unused Credit-

`(1) LIMITATION BASED ON AMOUNT OF TAX- In the case of a taxable year to which section 26(a)(2) does not apply, the credit allowed under subsection (a) for the taxable year shall not exceed the excess of--

`(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

`(B) the sum of the credits allowable under this subpart (other than this section) and section 27 for the taxable year.

`(2) CARRYFORWARD OF UNUSED CREDIT-

`(A) RULE FOR YEARS IN WHICH ALL PERSONAL CREDITS ALLOWED AGAINST REGULAR AND ALTERNATIVE MINIMUM TAX- In the case of a taxable year to which section 26(a)(2) applies, if the credit allowable under subsection (a) exceeds the limitation imposed by section 26(a)(2) for such taxable year reduced by the sum of the credits allowable under this subpart (other than this section), such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.

`(B) RULE FOR OTHER YEARS- In the case of a taxable year to which section 26(a)(2) does not apply, if the credit allowable under subsection (a) exceeds the limitation imposed by paragraph (1) for such taxable year, such excess shall be carried to the succeeding taxable year and added to the credit allowable under subsection (a) for such succeeding taxable year.'

(2) CONFORMING AMENDMENTS-

(A) Section 23(b)(4)(B) of such Code is amended by inserting `and section 25D' after `this section'.

(B) Section 24(b)(3)(B) of such Code is amended by striking `and 25B' and inserting `, 25B, and 25D'.

(C) Section 25B(g)(2) of such Code is amended by striking `section 23' and inserting `sections 23 and 25D'.

(D) Section 26(a)(1) of such Code is amended by striking `and 25B' and inserting `25B, and 25D'.

(d) Effective Dates-

(1) IN GENERAL- Except as otherwise provided in this subsection, the amendments made by this section shall apply to expenditures made after the date of the enactment of this Act.

(2) EXTENSION- The amendment made by subsection (a) shall apply to property placed in service after December 31, 2008.

(3) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX-

(A) IN GENERAL- The amendments made by subsection (c) shall apply to taxable years beginning after the date of the enactment of this Act.

(B) APPLICATION OF EGTRRA SUNSET- The amendments made by subparagraphs (A) and (B) of subsection (c)(2) shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 in the same manner as the provisions of such Act to which such amendments relate.

### **SEC. 3. EXTENSION AND MODIFICATION OF ENERGY CREDIT.**

(a) Extension of 30 Percent Credit for Solar Energy- Subclause (II) of section 48(a)(2)(A)(i) of the Internal Revenue Code of 1986 is amended by striking `January 1, 2009' and inserting `January 1, 2017'.

(b) Extension for Qualified Fuel Cells- Subparagraph (E) of section 48(c)(1) of such Code is amended by striking `December 31, 2008' and inserting `December 31, 2016'.

(c) Public Electric Utility Property Taken Into Account-

(1) IN GENERAL- Paragraph (3) of section 48(a) of such Code is amended by striking the second sentence thereof.

(2) CONFORMING AMENDMENT- Paragraph (1) of section 48(c) of such Code, after amendment under subsection (b), is amended by striking subparagraph (D) and redesignating subparagraph (E) as subparagraph (D).

(3) EFFECTIVE DATE- The amendments made by this subsection shall apply to periods after June 20, 2007, in taxable years ending after such date, under rules similar to the rules of section 48(m) of the Internal Revenue Code of 1986 (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).

### **SEC. 4. EXTENSION OF CREDIT FOR NONBUSINESS ENERGY PROPERTY.**

Subsection (g) of section 25C of the Internal Revenue Code of 1986 is amended by striking `December 31, 2007' and inserting `December 31, 2015'.

### **SEC. 5. MODIFICATIONS OF ENERGY EFFICIENT APPLIANCE CREDIT FOR APPLIANCES PRODUCED AFTER 2007.**

(a) In General- Subsection (b) of section 45M of the Internal Revenue Code of 1986 is amended to read as follows:

`(b) Applicable Amount- For purposes of subsection (a)--

`(1) DISHWASHERS- The applicable amount is--

`(A) \$45 in the case of a dishwasher which is manufactured in calendar year 2008 or 2009 and which uses no more than 324 kilowatt hours per year and 5.8 gallons per cycle, and

`(B) \$75 in the case of a dishwasher which is manufactured in calendar year 2008, 2009, or 2010 and which uses no more than 307 kilowatt hours per year and 5.0 gallons per cycle (5.5 gallons per cycle for dishwashers designed for greater than 12 place settings).

`(2) CLOTHES WASHERS- The applicable amount is--

`(A) \$75 in the case of a residential top-loading clothes washer manufactured in calendar year 2008 which meets or exceeds a 1.72 modified energy factor and does not exceed a 8.0 water consumption factor,

`(B) \$125 in the case of a residential top-loading clothes washer manufactured in calendar year 2008 or 2009 which meets or exceeds a 1.8 modified energy factor and does not exceed a 7.5 water consumption factor,

`(C) \$150 in the case of a residential or commercial clothes washer manufactured in calendar year 2008, 2009 or 2010 which meets or exceeds 2.0 modified energy factor and does not exceed a 6.0 water consumption factor, and

`(D) \$250 in the case of a residential or commercial clothes washer manufactured in calendar year 2008, 2009, or 2010 which meets or exceeds 2.2 modified energy factor and does not exceed a 4.5 water consumption factor.

`(3) REFRIGERATORS- The applicable amount is--

`(A) \$50 in the case of a refrigerator which is manufactured in calendar year 2008, and consumes at least 20 percent but not more than 22.9 percent less kilowatt hours per year than the 2001 energy conservation standards,

`(B) \$75 in the case of a refrigerator which is manufactured in calendar year 2008 or 2009, and consumes at least 23 percent but no more than 24.9 percent less kilowatt hours per year than the 2001 energy conservation standards,

`(C) \$100 in the case of a refrigerator which is manufactured in calendar year 2008, 2009 or 2010, and consumes at least 25 percent but not more than 29.9 percent less kilowatt hours per year than the 2001 energy conservation standards, and

`(D) \$200 in the case of a refrigerator manufactured in calendar year 2008, 2009 or 2010 and which consumes at least 30 percent less energy than the 2001 energy conservation standards.

`(4) DEHUMIDIFIERS- The applicable amount is--

`(A) \$15 in the case of a dehumidifier manufactured in calendar year 2008 that has a capacity less than or equal to 45 pints per day and is 7.5 percent more efficient than the applicable Department of Energy energy conservation standard effective October 2012, and

`(B) \$25 in the case of a dehumidifier manufactured in calendar year 2008 that has a capacity greater than 45 pints per day and is 7.5 percent more efficient than the applicable Department of Energy energy conservation standard effective October 2012.'

(b) Eligible Production-

(1) SIMILAR TREATMENT FOR ALL APPLIANCES- Subsection (c) of section 45M of such Code is amended--

(A) by striking paragraph (2),

(B) by striking `(1) IN GENERAL' and all that follows through `the eligible' and inserting `The eligible', and

(C) by moving the text of such subsection in line with the subsection heading and redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively.

(2) MODIFICATION OF BASE PERIOD- Paragraph (2) of section 45M(c) of such Code, as amended by paragraph (1) of this section, is amended by striking `3-calendar year' and inserting `2-calendar year'.

(c) Types of Energy Efficient Appliances- Subsection (d) of section 45M of such Code is amended to read as follows:

`(d) Types of Energy Efficient Appliance- For purposes of this section, the types of energy efficient appliances are--

`(1) dishwashers described in subsection (b)(1),

`(2) clothes washers described in subsection (b)(2),

`(3) refrigerators described in subsection (b)(3), and

`(4) dehumidifiers described in subsection (b)(4).'

(d) Aggregate Credit Amount Allowed-

(1) INCREASE IN LIMIT- Paragraph (1) of section 45M(e) of such Code is amended to read as follows:

`(1) AGGREGATE CREDIT AMOUNT ALLOWED- The aggregate amount of credit allowed under subsection (a) with respect to a taxpayer for any taxable year shall not exceed \$75,000,000 reduced by the amount of the credit allowed under subsection (a) to the taxpayer (or any predecessor) for all prior taxable years beginning after December 31, 2007.'

(2) EXCEPTION FOR CERTAIN REFRIGERATOR AND CLOTHES WASHERS- Paragraph (2) of section 45M(e) of such Code is amended to read as follows:

`(2) AMOUNT ALLOWED FOR CERTAIN REFRIGERATORS AND CLOTHES WASHERS- Refrigerators described in subsection (b)(3)(D) and clothes washers described in subsection (b)(2)(D) shall not be taken into account under paragraph (1).'

(e) Qualified Energy Efficient Appliances-

(1) IN GENERAL- Paragraph (1) of section 45M(f) of such Code is amended to read as follows:

`(1) QUALIFIED ENERGY EFFICIENT APPLIANCE- The term `qualified energy efficient appliance' means--

`(A) any dishwasher described in subsection (b)(1),

`(B) any clothes washer described in subsection (b)(2),

`(C) any refrigerator described in subsection (b)(3), and

`(D) any dehumidifier described in subsection (b)(4).'

(2) CLOTHES WASHER- Section 45M(f)(3) of such Code is amended by inserting `commercial' before `residential' the second place it appears.

(3) TOP-LOADING CLOTHES WASHER- Subsection (f) of section 45M of such Code is amended by redesignating paragraphs (4), (5), (6), and (7) as paragraphs (5), (6), (7), and (8), respectively, and by inserting after paragraph (3) the following new paragraph:

`(4) TOP-LOADING CLOTHES WASHER- The term `top-loading clothes washer' means a clothes washer which has the clothes container compartment access located on the top of the machine and which operates on a vertical axis.'

(4) DEHUMIDIFIER- Subsection (f) of section 45M of such Code, as amended by paragraph (3), is amended by redesignating paragraphs (6), (7), and (8) as paragraphs (7), (8) and (9), respectively, and by inserting after paragraph (5) the following new paragraph:

`(6) DEHUMIDIFIER- The term `dehumidifier' means a self-contained, electrically operated, and mechanically refrigerated encased assembly consisting of--

`(A) a refrigerated surface that condenses moisture from the atmosphere,

`(B) a refrigerating system, including an electric motor,

`(C) an air-circulating fan, and

`(D) means for collecting or disposing of condensate.'

(5) REPLACEMENT OF ENERGY FACTOR- Section 45M(f)(7) of such Code, as amended by paragraph (4), is amended to read as follows:

`(7) MODIFIED ENERGY FACTOR- The term `modified energy factor' means the modified energy factor established by the Department of Energy for compliance with the Federal energy conservation standard.'

(6) GALLONS PER CYCLE; WATER CONSUMPTION FACTOR- Section 45M(f) of such Code is amended by adding at the end the following:

`(10) GALLONS PER CYCLE- The term `gallons per cycle' means, with respect to a dishwasher, the amount of water, expressed in gallons, required to complete a normal cycle of a dishwasher.

`(11) WATER CONSUMPTION FACTOR- The term `water consumption factor' means, with respect to a clothes washer, the quotient of the total weighted per-cycle water consumption divided by the cubic foot (or liter) capacity of the clothes washer.'

(f) Effective Date- The amendments made by this section shall apply to appliances produced after December 31, 2007.